

**ORDINANCE # 849**

**AN ORDINANCE TO REVISE THE SCHEDULE  
OF MONTHLY WATER RATES AND OTHER CHARGES TO BE  
COLLECTED BY THE CITY OF NORTH VERNON, INDIANA FROM  
CUSTOMERS SERVED BY THE WATERWORKS OF SAID CITY**

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WHEREAS, the City of North Vernon, Indiana Utility Service Board and its predecessor, Board of Waterworks Trustees (the "Board"), the governing body of the City of North Vernon's department of waterworks (under IC 8-1.5-4), has heretofore established, constructed and financed a municipal waterworks utility and now owns and operates said utility pursuant to IC 8-1.5; and

WHEREAS, the City of North Vernon's waterworks utility was previously removed from the jurisdiction of the Indiana Utility Regulatory Commission, effective June 6, 1997; and

WHEREAS, the Board has previously determined that it is necessary in order to render adequate and efficient service and in the best interest of the waterworks utility to construct certain improvements and additions to said utility, which improvements and additions are more particularly described on Exhibit A attached hereto (the "Project"); and

WHEREAS, the Board intends to finance the cost of the Project in an amount not to exceed Two Million Eight Hundred Thousand Dollars (\$2,800,000.00), by and through the issuance of revenue bonds (the "Bonds"); and

WHEREAS, the Board previously determined that it is necessary to increase the monthly rates and other charges for the waterworks utility in order to satisfy the annual revenue requirements and receive sufficient revenues to pay, among other things, the principal and interest on the Bonds; and

WHEREAS, the Board previously determined that it is necessary to increase the monthly rates and other charges in order to produce an income sufficient to maintain the utility property in a sound physical and financial condition so as to render adequate and efficient service and to: (i) pay certain other necessary expenses incident to the operation of the utility, including maintenance costs, operating charges, upkeep, repairs, depreciation, and interest charges on bonds or other obligations; (ii) provide a sinking fund for the liquidation of bonds or other obligations; (iii) provide a debt service reserve for bonds or other obligations, in an amount established by the City, not to exceed the maximum annual debt service on the bonds or other obligations; (iv) provide money for working capital; (v) provide adequate money for making extensions and replacements to the extent not provided for through depreciation; and (vi) provide money for the payment of any taxes that may be assessed against the utility; and

WHEREAS, after further review and study, the Board has recommended to the Common Council of the City of North Vernon, Indiana that monthly rates and other charges for the waterworks utility be increased in accordance with a rate study performed by the City's financial advisor, Patrick Callahan, C.P.A.; and

WHEREAS, the Common Council, after careful study and review of the rate study referenced above and the recommendations of the Board, concurred with the determinations of the Board and concluded that the new monthly rates and other charges contemplated hereby are nondiscriminatory, reasonable and just rates and charges; and

WHEREAS, following a public hearing held on April 25, 2005, in accordance with the requirements of IC 5-3-1 and IC 8-1.5-3-8.1, the Common Council determined to adopt this ordinance to provide for the new monthly rates and other charges;

NOW, THEREFORE, BE IT ORDAINED BY THE COMMON COUNCIL OF THE CITY OF NORTH VERNON, INDIANA AS FOLLOWS:

Section 1. Schedule of Rates and Charges. There shall be, and there are hereby established for the use and the service rendered by the waterworks system of the City of North Vernon, the following rates and charges based on the use of water supplied by said waterworks system:

Residential:

(a)	<u>Metered Rates Per Month</u>	<u>Per 1,000 Gallons</u>
First	3,333 gallons per month	\$4.82
Next	6,667 gallons per month	4.52
Next	6,667 gallons per month	3.89
Next	33,333 gallons per month	3.33
Next	50,000 gallons per month	3.05
Over	100,000 gallons per month	2.03

(b) Minimum Charges Per Month

Each user shall pay a minimum in accordance with the following applicable size of meter installed, for which the user will be entitled to the quantity of water set out in the above schedule of rates.

<u>Size of Meter</u>	<u>Gallons Allowed</u>	<u>Per Month</u>
¾ inch meter or less	2,667	\$12.85
1 inch meter	3,000	14.46
1 ¼ inch meter	5,100	24.03
1 ½ inch meter	7,650	35.55
2 inch meter	15,800	68.75
3 inch meter	50,000	183.24
4 inch meter	120,930	378.02
6 inch meter	346,770	836.57

Commercial:

(a) <u>Metered Rates Per Month</u>		<u>Per 1,000 Gallons</u>
First	3,333 gallons per month	\$5.19
Next	6,667 gallons per month	4.87
Next	6,667 gallons per month	4.20
Next	33,333 gallons per month	3.59
Next	50,000 gallons per month	3.28
Over	100,000 gallons per month	2.19

(b) Minimum Charges Per Month

Each user shall pay a minimum in accordance with the following applicable size of meter installed, for which the user will be entitled to the quantity of water set out in the above schedule of rates.

<u>Size of Meter</u>	<u>Gallons Allowed</u>	<u>Per Month</u>
¾ inch meter or less	2,667	\$13.85
1 inch meter	3,000	15.58
1 ¼ inch meter	5,100	25.90
1 ½ inch meter	7,650	38.31
2 inch meter	15,800	74.09
3 inch meter	50,000	197.48
4 inch meter	120,930	407.40
6 inch meter	346,770	901.59

Industrial:

(a) <u>Metered Rates Per Month</u>		<u>Per 1,000 Gallons</u>
First	3,333 gallons per month	\$5.28
Next	6,667 gallons per month	4.95
Next	6,667 gallons per month	4.27
Next	33,333 gallons per month	3.65
Next	50,000 gallons per month	3.34
Over	100,000 gallons per month	2.23

(b) Minimum Charges Per Month

Each user shall pay a minimum in accordance with the following applicable size of meter installed, for which the user will be entitled to the quantity of water set out in the above schedule of rates.

<u>Size of Meter</u>	<u>Gallons Allowed</u>	<u>Per Month</u>
¾ inch meter or less	2,667	\$14.08
1 inch meter	3,000	15.84
1 ¼ inch meter	5,100	26.34

1 ½ inch meter	7,650	38.96
2 inch meter	15,800	75.34
3 inch meter	50,000	200.81
4 inch meter	120,930	414.28
6 inch meter	346,770	916.82

(c) Public Fire Protection Surcharge

<u>Meter Size</u>	<u>Per Year</u>
¾ inch meter or less	\$10.15
1 inch meter	14.10
1 ½ inch meter	18.25
2 inch meter	29.30
3 inch meter	111.50
4 inch meter	141.85
6 inch meter	212.80

(d) Private Fire Protection

	<u>Per Year</u>
Fire Hydrants – per hydrant	\$792.00
Automatic Sprinklers	
1 inch connection	\$99.00
2 inch connection	141.40
3 inch connection	271.50
4 inch connection	537.40
6 inch connection	707.20
8 inch connection	1,188.00

(e) Wholesale ("Sale for Resale")

Consumption per month

	<u>Per 1,000 Gallons</u>
First 2,000,000 gallons	\$3.04
Next 1,000,000 gallons	3.20
Over 3,000,000 gallons	3.79
Minimum per month (100,000 gallons)	304.00

(f) Non-Recurring Charges

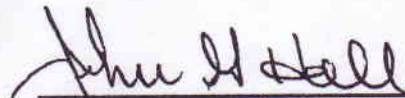
(1)	5/8" or 3/4" single pit tap-on or connection	\$100.00
(2)	5/8" or 3/4" dual pit tap-on or connection	150.00 per lot
(3)	1" tap-on or connection	200.00
(4)	1-1/2" to 3" tap-on or connection	250.00
(5)	re-connection charge	25.00
(6)	return check charge	20.00
(7)	after-hours non-emergency service runs	25.00
(8)	special meter reading (test)	20.00
(9)	security deposit	30.00
(10)	security deposit for 3/4" meter or larger	50.00
(11)	late payment charge	10% for the first \$3.00 3% over \$3.00

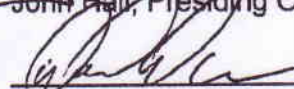
Section 2. Repeal of Prior Ordinances. All other ordinances and parts of other ordinances inconsistent with any part of this Ordinance are hereby repealed to the extent of such inconsistency or conflict.

Section 3. Incorporation of Preambles. The preambles to this Ordinance are hereby incorporated into the text of this Ordinance as if fully set forth herein.

Section 4. Effective Date. This Ordinance shall be in full force and effect from and after its passage and adoption by the Common Council and approval by the Mayor as provided by law.

PASSED AND ADOPTED BY THE COMMON COUNCIL OF THE CITY OF NORTH  
VERNON, INDIANA THIS 25<sup>th</sup> DAY OF APRIL, 2005.

  
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John Hall, Presiding Officer

  
\_\_\_\_\_  
David Shaw

\_\_\_\_\_  
Eugene Leeds, Jr.

  
\_\_\_\_\_  
Allane Colbert

  
\_\_\_\_\_  
Thomas Speer

  
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David Kopitzke

ATTEST:

Roger W. Short  
Roger Short, Clerk-Treasurer

Presented by me to the Mayor of the City of North Vernon, this 25 day of APRIL, 2005.

Roger W. Short  
Roger Short, Clerk-Treasurer

Approved and signed by me this 25 day of April, 2005.

John G. Hall  
John G. Hall, Mayor of the City of  
North Vernon, Indiana

# **EXHIBIT A**

## **Project Description**

Improvements to the waterworks including:

Tank

Booster Station

Altitude Valve Station

Water Treatment Plant Renovations:

- Doors

- Windows

- Office Area

- Existing Clearwell Cleaning

- Instrumentation

- Chemical Feed Manholes (3)

- Clarifier Skimmer

- Filter Piping Modifications

- Valve Repairs (8)

Raw Water Lift Station Pumps

Raw Water Lift Station Electrical

Raw Water Lift Station Controls

Raw Water Lift Station Flood Protection

Filter Renovations

Fire Hydrant Installation (5)

Water Line

Raw Water Dam Repair

CITY OF NORTH VERNON

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Proposed Timeline  
Waterworks Revenue Bonds of 2005

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<u>Date</u>	<u>Activity</u>
September 13, 2004	Council introduces and adopts Bond Ordinance.  Proposed Rate Ordinance is completed, recommended for approval by Utility Service Board and introduced at Common Council Meeting.  Notice of hearing on proposed Rate Ordinance is published in legal publications for City and mailed to owners of vacant or unimproved property if the ordinance includes a fee for water services to vacant or unimproved property, and mailed to users of the waterworks located outside the municipality's corporate boundaries.
✓ April 25, 2005	✓ Public Hearing on Rate Ordinance. ✓ Council adopts Rate Ordinance.
May 2, 2005	End of five-day period to challenge Rate Ordinance.
May 5, 10, 12 & 17, 2005	Publish Notice of Sale of Bonds.
May 26, 2005	Receipt of bids/Award Sale of Bonds.
June 9, 2005	Closing.